
State: District of Columbia **Filing Company:** Guarantee Trust Life Insurance Company
TOI/Sub-TOI: H07I Individual Health - Specified Disease - Limited Benefit/H07I.001 Critical Illness
Product Name: Specified Critical Illness
Project Name/Number: /G1132B-DC

Filing at a Glance

Company: Guarantee Trust Life Insurance Company
Product Name: Specified Critical Illness
State: District of Columbia
TOI: H07I Individual Health - Specified Disease - Limited Benefit
Sub-TOI: H07I.001 Critical Illness
Filing Type: Rate
Date Submitted: 07/19/2012
SERFF Tr Num: GRTT-128553945
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: G1132B-DC RATES

Implementation: On Approval
Date Requested:
Author(s): Joan Jannotta
Reviewer(s): Darniece Shirley (primary), Carolyn King
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.001 Critical Illness
Product Name: Specified Critical Illness
Project Name/Number: /G1132B-DC

Filing Company: Guarantee Trust Life Insurance Company

General Information

Project Name: Status of Filing in Domicile: Authorized
Project Number: G1132B-DC Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: Filing Status Changed: 07/20/2012
State Status Changed:
Deemer Date: Created By: Joan Jannotta
Submitted By: Joan Jannotta Corresponding Filing Tracking Number: GRTT-128533842

Filing Description:

Specified Critical Illness Policy G1132B-DC
Coronary Artery Bypass Surgery, Heart Attack or Stroke Benefit Rider RG11HAS
Cancer Benefit Rider RG11CAN
Return of Premium Rider RG07ROP (D)
Actuarial Memorandum and Rates

NAIC #64211 687

Dear Sir or Madam:

We are submitting the actuarial memorandum and rates for the above referenced forms for the Department's review and approval. The forms are being submitted in the corresponding serff filing.

The forms are new and not intended to replace any forms currently on file at the Department. The forms will be marketed to individuals by contracted agents and brokers.

These forms are designed to provide specific benefits only for losses from a specified critical illness.

Three plans will be offered.

Plan A is the most comprehensive. It provides benefits for Alzheimer's disease, kidney failure, paralysis, coma, major organ transplant as well Coronary Artery Bypass Surgery, Heart Attack and Stroke and Cancer benefits proved by riders RG11HAS and RG11CAN, respectively.

Applicants choose a monthly base amount from \$250 to \$3,000 for benefit periods of 6 months, 12 months, 18 months or 24 months. Children are limited to a monthly benefit of \$500.

Plan B is the same as Plan A, except that that it will not include the Coronary Artery Bypass Surgery, Heart Attack and Stroke benefits provided by rider RG11HAS.

Plan C is the same as Plan A except that it does not include the Cancer benefits provided by rider RG11CAN.

We will also offer an optional Return of Premium rider RG07ROP (D). In the event the insured dies before the first policy anniversary which follows his or her eightieth (80th) birthday, a Return of Premium Benefit may be payable to his or her named beneficiary or estate. Benefit payment under this rider is subject to the policy being in force with this rider at the time of death.

State: District of Columbia
TOI/Sub-TOI: H07I Individual Health - Specified Disease - Limited Benefit/H07I.001 Critical Illness
Product Name: Specified Critical Illness
Project Name/Number: /G1132B-DC

In the solicitation of this product we will use application APPH3A-11-DC (5/12). We have included it in this filing for approval. We would appreciate general approval of this application so that it may be used with similar products approved by your state. Any bracketed information in the application is variable. It is not our intention to make any changes that would cause this application to be out of compliance with any statutory requirements.

The forms are in final print, subject to minor variations in formatting, duplexing, shading and fonts. In addition, the application may be reproduced electronically which could result in formatting changes. While every effort is made to submit filings without mistakes, the Company reserves the right to make corrections to any typographical errors such as misspellings or minor grammatical errors noted after filing and approval.

Company and Contact

Filing Contact Information

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847-699-0093 [FAX]

Filing Company Information

Guarantee Trust Life Insurance
Company
1275 Milwaukee Avenue
1275 Milwaukee Avenue
Glenview, IL 60025
(847) 460-4772 ext. [Phone]

CoCode: 64211
Group Code: 687
Group Name:
FEIN Number: 36-1174500

State of Domicile: Illinois
Company Type: Mutual
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

Company	Amount	Date Processed	Transaction #
Guarantee Trust Life Insurance Company	\$0.00		

State:	District of Columbia	Filing Company:	Guarantee Trust Life Insurance Company
TOI/Sub-TOI:	H071 Individual Health - Specified Disease - Limited Benefit/H071.001 Critical Illness		
Product Name:	Specified Critical Illness		
Project Name/Number:	/G1132B-DC		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action*	Rate Action Information	Attachments
1		Rates	G1132B-DC, RG11HAS, RG11CAN, RG11NH	New		Premium_Rates_G1132B_50% DS.pdf
2		Rates	RG07ROP (D)	New		Premium Factors_ROP(D).pdf

Guarantee Trust Life Insurance Company
Annual Premium Rates for Non-Tobacco
Rate per \$250 Monthly Benefit Amount
G1132B, RG11CAN, RG11HAS, and RG11NH

	G1132B, RG11CAN, RG11HAS**				RG11NH: ALF = 100% of NH benefit				RG11NH: ALF = 50% of NH benefit			
	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo
Child	4.16	7.50	10.65	13.61	0.16	0.29	0.41	0.53	0.14	0.25	0.35	0.45
18 29	9.99	18.00	25.56	32.67	0.16	0.29	0.41	0.53	0.14	0.25	0.35	0.45
30 39	14.99	27.00	38.34	49.01	0.20	0.36	0.50	0.64	0.17	0.30	0.43	0.54
40 49	31.08	56.00	79.52	101.64	0.41	0.73	1.03	1.32	0.34	0.62	0.88	1.12
50 54	51.06	92.00	130.64	166.98	1.16	2.09	2.96	3.79	0.99	1.77	2.52	3.22
55 59	69.38	125.00	177.50	226.88	2.36	4.24	6.02	7.70	2.00	3.60	5.12	6.54
60 64	91.02	164.00	232.88	297.66	4.28	7.71	10.95	13.99	3.64	6.55	9.30	11.89
65 69	114.89	207.00	293.94	375.71	8.06	14.51	20.61	26.34	6.85	12.33	17.51	22.39
70 74	137.64	248.00	352.16	450.12	13.85	24.94	35.42	45.27	11.77	21.20	30.10	38.48
75 79	157.07	283.00	401.86	513.65	22.65	40.82	57.96	74.08	19.25	34.69	49.26	62.96
80 84	166.50	300.00	426.00	544.50	34.23	61.68	87.58	111.94	29.10	52.42	74.44	95.15

Benefits	Benefit Amount	Benefit Period*
Cancer	100%	100%
Cancer In-situ	100%	3 months
Coronary Artery Bypass Graft	100%	2 months
Heart Attack	100%	3 months
Stroke	100%	100%
Alzheimer's	100%	100%
Kidney Failure	100%	100%
Organ Transplant (3)	100%	100%
Paralysis	100%	100%
Coma	100%	3 months

* Fixed benefit period of 2 or 3 months for specified conditions

** The rates are proportionate for monthly benefit amounts to \$1,750 and discounted at 5% for \$2,000 & up.

Tobacco factor is 150%.

Annual Fee Per Policy: \$25

Guarantee Trust Life Insurance Company
Annual Premium Rates for Non-Tobacco
Rate per \$250 Monthly Benefit Amount
G1132B, RG11HAS, and RG11NH

G1132B, RG11HAS**					RG11NH: ALF = 100% of NH benefit				RG11NH: ALF = 50% of NH benefit			
	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo
Child	1.78	3.20	4.54	5.81	0.11	0.19	0.27	0.34	0.09	0.16	0.23	0.29
18 29	3.89	7.00	9.94	12.71	0.11	0.19	0.27	0.34	0.09	0.16	0.23	0.29
30 39	6.11	11.00	15.62	19.97	0.17	0.29	0.40	0.51	0.14	0.25	0.34	0.43
40 49	13.32	24.00	34.08	43.56	0.36	0.62	0.87	1.10	0.31	0.53	0.74	0.94
50 54	22.76	41.00	58.22	74.42	1.06	1.81	2.53	3.22	0.90	1.54	2.15	2.74
55 59	32.75	59.00	83.78	107.09	2.17	3.71	5.20	6.61	1.84	3.15	4.42	5.62
60 64	46.62	84.00	119.28	152.46	4.18	7.14	10.00	12.71	3.55	6.07	8.50	10.80
65 69	64.38	116.00	164.72	210.54	7.74	13.24	18.53	23.56	6.58	11.25	15.75	20.03
70 74	83.25	150.00	213.00	272.25	13.40	22.90	32.06	40.77	11.39	19.47	27.25	34.65
75 79	103.23	186.00	264.12	337.59	22.54	38.52	53.93	68.57	19.16	32.74	45.84	58.28
80 84	113.22	204.00	289.68	370.26	33.73	57.66	80.73	102.64	28.67	49.01	68.62	87.24

Benefits	Benefit Amount	Benefit Period*
Cani Cancer		N/A
Cancer In-situ		N/A
Coronary Artery Bypass Graft	100%	2 months
Heart Attack	100%	3 months
Stroke	100%	100%
Alzheimer's	100%	100%
Kidney Failure	100%	100%
Organ Transplant (3)	100%	100%
Paralysis	100%	100%
Coma	100%	3 months

* Fixed benefit period of 2 or 3 months for specified conditions

** The rates are proportionate for monthly benefit amounts to \$1,750 and discounted at 5% for \$2,000 & up.

Tobacco factor is 150%.

Annual Fee Per Policy: \$25

Guarantee Trust Life Insurance Company
Annual Premium Rates for Non-Tobacco
Rate per \$250 Monthly Benefit Amount
G1132B, RG11CAN, and RG11NH

G1132B, RG11CAN**					RG11NH: ALF = 100% of NH benefit				RG11NH: ALF = 50% of NH benefit			
	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo	6 mo	12 mo	18 mo	24 mo
Child	2.78	5.00	7.10	9.08	0.10	0.19	0.28	0.36	0.09	0.16	0.24	0.31
18 29	6.11	11.00	15.62	19.97	0.10	0.19	0.28	0.36	0.09	0.16	0.24	0.31
30 39	8.88	16.00	22.72	29.04	0.15	0.29	0.41	0.54	0.13	0.25	0.35	0.46
40 49	21.09	38.00	53.96	68.97	0.30	0.57	0.83	1.07	0.26	0.48	0.71	0.91
50 54	34.41	62.00	88.04	112.53	0.73	1.38	2.00	2.60	0.62	1.17	1.70	2.21
55 59	47.18	85.00	120.70	154.28	1.44	2.71	3.94	5.10	1.22	2.30	3.35	4.34
60 64	61.61	111.00	157.62	201.47	2.70	5.09	7.39	9.58	2.30	4.33	6.28	8.14
65 69	75.48	136.00	193.12	246.84	4.77	9.00	13.05	16.92	4.05	7.65	11.09	14.38
70 74	88.80	160.00	227.20	290.40	8.13	15.33	22.23	28.82	6.91	13.03	18.90	24.50
75 79	102.68	185.00	262.70	335.78	12.97	24.47	35.49	46.01	11.02	20.80	30.17	39.11
80 84	110.45	199.00	282.58	361.19	19.10	36.05	52.27	67.77	16.24	30.64	44.43	57.60

Benefits	Benefit Amount	Benefit Period*
Cani Cancer	100%	100%
Cancer In-situ	100%	3 months
Coronary Artery Bypass Graft		
Heart Attack		N/A
Stroke		
Alzheimer's	100%	100%
Kidney Failure	100%	100%
Organ Transplant (3)	100%	100%
Paralysis	100%	100%
Coma	100%	3 months

* Fixed benefit period of 2 or 3 months for specified conditions

** The rates are proportionate for monthly benefit amounts to \$1,750 and discounted at 5% for \$2,000 & up.

Tobacco factor is 150%.

Annual Fee Per Policy: \$25

Guarantee Trust Life Insurance Company
Return of Premium Rider: RG07ROP(D)
Premium Factors

Return of Premium Rider, at Death to Age 80		
Benefit is 100% of premium		
Issue		Premium
<u>Age Band</u>		<u>Factor*</u>
0	29	0.10
30	39	0.10
40	49	0.15
50	54	0.15
55	59	0.20
60	64	0.25
65	69	0.25
*Applies to base and other riders, not policy fee		

SERFF Tracking #:	GRTT-128553945	State Tracking #:		Company Tracking #:	G1132B-DC RATES
State:	District of Columbia			Filing Company:	Guarantee Trust Life Insurance Company
TOI/Sub-TOI:	H07I Individual Health - Specified Disease - Limited Benefit/H07I.001 Critical Illness				
Product Name:	Specified Critical Illness				
Project Name/Number:	/G1132B-DC				

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification		
Comments:			
Attachment(s):			
Actl Memo_ROP(D).pdf			
Actl Memo_G1132B_50% DS.pdf			

Guarantee Trust Life Insurance Company
Actuarial Memorandum for Filing of Initial Premium Rates
Return of Premium Rider: RG07ROP(D)

I. Scope and Purpose

This actuarial memorandum is intended to provide pricing information and analyses underlying a proposed premium schedule on the above-referenced policy rider, and to exhibit compliance of the proposed rate schedule with state law and regulation.

II. Description of Benefits

The product under this filing is a policy rider providing return of premium benefits

The benefit under the rider is payable at death of the primary insured to age 80.

The amount returned is determined as the sum of all premiums paid under the policy and riders (excluding annual policy fees), less all benefits paid or payable under the policy.

III. Renewability

The rider is renewable through the end of the return of premium period.

IV. Morbidity

Morbidity under the base product will impact the level of benefits provided under this rider, in that claims provide an offset to the return of premium amount.

V. Interest Discount

Values are discounted at an annual rate of 4% for present value calculations.

VI. Marketing

These policies are marketed to individuals through agents.

VII. Underwriting

The base policies are underwritten based on answers to questions contained in the application form and potential follow-up investigation.

VIII. Mortality and Lapse

Pricing Mortality assumptions are based on 1975-80 US SOA Ultimate tables.
Valuation Mortality assumptions are based on 1980 CSO, average of male and female

Lapse Rate: Approximate annual lapse rates are assumed to vary by policy year and issue age:

Age	18 – 44	45+
1	0.28	0.17
2	0.16	0.14
3	0.13	0.11
4	0.11	0.09
5	0.10	0.08
6	0.09	0.07
7	0.08	0.07
8+	0.07	0.06

IX. Expenses and Commissions

Anticipated expenses for this product are as follows:

- Acquisition and marketing: 2.5% of the first year
- Policy administration and overhead: 3.0% of premium
- Premium Tax, fees, assessments: 2.5% of premium
- Commissions:
 - 80% year 1 and 0% 2+ for issue age 18 to 64
 - 75% year 1 and 0% 2+ for issue age 65 to 69

X. Issue Ages

The intended issue age range is from 18 to 69.

XI. Area Factors

Gross premiums for this rider do not vary according to geographic area.

XII. Trend and Selection

Trend and the impact of selection on claim costs do not impact the benefits paid under this rider.

XIII. Premium Classes

Gross premiums for this rider are expressed as a factor of the base policy premiums and other riders on which the return of premium is based on. The factor is applied to base premiums and other riders, not to the policy fee. Factors may vary by issue age.

XIV. Average Annual Premium

The average annual premiums are expected to be \$206 per policy.

XV. Modal Premium Factors

Modal factors are inherent within the calculation of the base policy premium, thus there is no need for a separate modal adjustment for this rider.

XVI. Historical Experience Under this Product

As this is a new product, there is no historical experience under this rider.

XVII. Projected Experience and Lifetime Loss Ratio

Exhibit I displays projected experience for an issue cohort of 2,280 policies over 30 years.

The anticipated lifetime loss ratio is 59.8% of rider premiums.

XVIII. Minimum Required Loss Ratio

The applicable minimum loss ratio standard is 50%.

XIX. History of Rate Adjustments

There have been no previous rate adjustments on this rider.

XX. Number of Policyholders

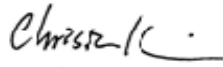
As this is a new product, there are no existing policyholders under this rider.

XXI. Proposed Effective Date

The proposed effective date for these new product rates is Dec 1, 2011, or as soon as reasonable for implementation following regulatory approval.

XXII. Actuarial Certification

To the best of my knowledge and judgment, this rate filing is in compliance with state laws and regulations, is in compliance with Actuarial Standard of Practice Number 8: *Regulatory Filings for Health Plan Entities*, and that benefits provided are reasonable relative to the proposed premium schedule.



Christine Kim, ASA, MAAA
Assistant Actuary, Guarantee Trust Life Insurance company
847-904-5457
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Exhibit I

Policy Form RG07ROP
(12 months of benefit periods)

											4.0%
	mbrs		base	base	policy	total	total	avg pol	agg pol	loss	discount
pol yr	inforce	persist	avg prem	agg prem	fee	pol fees	revenue	benefits	benefits	ratio	factors
1	2,280	0.80	165.08	376,384	0.00	0	376,384	12.85	29,298	7.8%	0.9806
2	1,832	0.83	167.25	306,408	0.00	0	306,408	27.76	50,853	16.6%	0.9429
3	1,526	0.86	169.23	258,236	0.00	0	258,236	44.75	68,284	26.4%	0.9066
4	1,313	0.74	171.31	224,966	0.00	0	224,966	63.09	82,847	36.8%	0.8717
5	974	0.89	205.49	200,081	0.00	0	200,081	98.30	95,709	47.8%	0.8382
6	869	0.90	206.62	179,560	0.00	0	179,560	123.32	107,165	59.7%	0.8060
7	782	0.90	207.85	162,553	0.00	0	162,553	150.62	117,801	72.5%	0.7750
8	702	0.90	209.13	146,775	0.00	0	146,775	180.55	126,713	86.3%	0.7452
9	635	0.67	210.50	133,609	0.00	0	133,609	210.05	133,319	99.8%	0.7165
10	425	0.91	285.47	121,232	0.00	0	121,232	325.49	138,227	114.0%	0.6889
11	386	0.91	284.00	109,607	0.00	0	109,607	366.62	141,493	129.1%	0.6624
12	350	0.90	282.33	98,702	0.00	0	98,702	409.44	143,139	145.0%	0.6370
13	316	0.90	280.45	88,492	0.00	0	88,492	453.73	143,165	161.8%	0.6125
14	284	0.56	278.33	78,955	0.00	0	78,955	489.95	138,985	176.0%	0.5889
15	158	0.91	215.08	33,996	0.00	0	33,996	344.38	54,433	160.1%	0.5663
16	143	0.90	213.60	30,615	0.00	0	30,615	375.63	53,838	175.9%	0.5445
17	130	0.90	211.93	27,446	0.00	0	27,446	407.95	52,831	192.5%	0.5235
18	117	0.90	210.04	24,483	0.00	0	24,483	440.90	51,392	209.9%	0.5034
19	104	0.45	207.90	21,721	0.00	0	21,721	465.18	48,601	223.8%	0.4840
20	47	0.91	114.34	5,417	0.00	0	5,417	257.65	12,206	225.3%	0.4654
21	43	0.91	113.57	4,896	0.00	0	4,896	277.00	11,941	243.9%	0.4475
22	39	0.90	112.70	4,407	0.00	0	4,407	297.07	11,617	263.6%	0.4303
23	35	0.90	111.71	3,949	0.00	0	3,949	317.69	11,231	284.4%	0.4138
24	32	0.61	110.60	3,522	0.00	0	3,522	332.89	10,601	301.0%	0.3978
25	19	0.91	74.73	1,449	0.00	0	1,449	234.88	4,556	314.3%	0.3825
26	18	0.90	74.28	1,306	0.00	0	1,306	249.58	4,389	336.0%	0.3678
27	16	0.90	73.77	1,172	0.00	0	1,172	264.60	4,205	358.7%	0.3537
28	14	0.90	73.17	1,047	0.00	0	1,047	279.61	4,001	382.1%	0.3401
29	13	0.46	72.50	930	0.00	0	930	289.88	3,720	399.9%	0.3270
30	6		42.87	254	0.00	0	254	147.31	873	343.6%	0.3144
PV Total				2,136,366		-	2,136,366		1,278,082		
PV pc of prem + pol fees				100.0%		0.0%	100.0%			59.8%	

Guarantee Trust Life Insurance Company
Actuarial Memorandum for Filing of Initial Premium Rates
Limited Benefit Policy: G1132B and riders RG11CAN, RG11HAS, and RG11NH

I. Scope and Purpose

This actuarial memorandum is intended to provide pricing information and analyses underlying a proposed premium schedule on the above-referenced Limited Benefit policy and riders, and to exhibit compliance of the proposed rate schedule with state law and regulation.

II. Description of Benefits

The product under this filing is an individual policy form providing benefits described as follows:

G1132B

- Monthly Base Benefit Amounts starting at \$500 and increasing in increments of \$250 (only \$500 is available for dependent children).
- Maximum Benefit Periods (months): 6, 12, 18, or 24.
- Benefits generally restore after 12 months following the end of benefit period.
- If death occurs prior to the end of the benefit period, payments related to the remainder of the benefit period are made immediately to the insured's designee.
- Covered Conditions:
 - Alzheimer's, 100% benefit for the maximum benefit period,
 - Kidney failure, 100% benefit for the maximum benefit period,
 - Major organ transplant (kidney, liver, pancreas, heart, lung, intestine), 100% benefit for the maximum benefit period,
 - Paralysis, 100% benefit for the maximum benefit period,
 - Coma, 100% benefit for a three month period,

RG11CAN

- Covered Conditions:
 - Cancer, 100% benefit for the maximum benefit period,
 - Cancer in situ, 100% benefit for a three month period,
 - Exclude Skin Cancer

RG11HAS

■ Covered Conditions:

- Heart attack, 100% benefit for a three month period,
- Stroke, 100% benefit for the maximum benefit period,
- Coronary artery bypass graft, 100% benefit for a two month period,

RG11NH

- Nursing home benefits starting at \$500 and increasing in increments of \$250 (only \$500 is available for dependent children).
- Assisted Living benefit option of either 100% or 50% of the nursing home benefit.
- Benefits are for the covered conditions described above, when care is being provided in a nursing home or assisted living facility.

III. Renewability

These policies are guaranteed renewable for life.

IV. Morbidity

The attached Exhibit 1 outlines the sources of data and the adjustments applied to arrive at the incidence rates.

V. Interest Discount

Values are discounted at an annual rate of 4% for present value calculations.

VI. Mortality and Lapse

Pricing Mortality assumptions are based on 1975-80 US SOA Ultimate tables. Valuation Mortality assumptions are based on 1980 CSO, average of male and female

Lapse Rate: Annual lapse rates are assumed to vary by policy year and issue age:

Pol Yr	Issue Ages	
	18 – 44	45+
1	0.28	0.17
2	0.16	0.14
3	0.13	0.11
4	0.11	0.09
5	0.10	0.08
6	0.09	0.07
7	0.08	0.07
8+	0.07	0.06

VII. Expenses and Commissions

Anticipated expenses for this product are as follows:

- Acquisition:
 - \$53 per policy
 - 6.5% of premium
- Maintenance
 - \$30 per policy (3% annual inflation)
 - 6% of premium
- Claim Processing
 - 5% of claims
- Premium Tax
 - 2.5% maximum
- Commissions
 - 80% year 1 and 17% years 2+ for issue age 18 to 64
 - 75% year 1 and 17% years 2+ for issue age 65 to 79
 - 70% year 1 and 17% years 2+ for issue age 80+

VIII. Marketing

These policies are marketed to individuals through agents.

IX. Underwriting

These policies are underwritten based on answers to questions contained in the application form and potential further investigation as warranted (eg Rx screen, MIB, telephone interview, or medical records request).

X. Premium Classes

Gross premiums vary according to premium mode, issue age band, benefit period, and level of benefits and benefit riders selected.

A \$25 annual policy fee, which is non-commissionable, is part of the premium structure, intended to offset a portion of the fixed expenses. The policy fee is included as premium in all loss ratio calculations.

A 5% discount is applied for monthly benefit amounts of \$2,000 and above, in order to provide for more consistent profitability/contingency margin across benefit amounts.

XI. Issue Ages

The intended issue age range is from 18 to 84.

XII. Area Factors

Gross premiums for these forms do not vary according to geographic area, except that rates may vary by state of issue due to variances in state-specific regulation.

XIII. Tobacco

Smoker adjustments data come from Centers for Disease Control and Prevention (CDC).

XIV. Average Annual Premium

The average annual premiums are expected to be \$1,897 per policy.

XV. Modal Premium Factors

Modal factors are displayed within the attached premium rate schedules.

Mode	Factor
Annual	1.000
Semiannual	0.520
Quarterly	0.265
Monthly	0.090

Modal Premium=Factor x Annual Premium

XVI. Claim Liabilities and Reserves

Claim liabilities and claim reserves will be established for this product to reflect the value of expected future payments on claims incurred on or before the valuation date.

XVII. Trend and Selection

Claim costs are not expected to increase significantly over time due to inflationary pressures, as benefits are of a fixed indemnity nature.

XVIII. Distribution of Business

- The anticipated distribution of business by level of benefits is 25.7% benefits at \$500, 25.7% benefits \$750 to \$1,000, 25.7% benefits \$1,250 to \$2,000 and 22.9% for benefits over \$2,000.
- The anticipated distribution of business is 32.2% for single and 67.8% for family.
- The anticipated distribution of business by age band is 6.6% ages under 50, 46.6% ages 50-69, 46.8% ages 70+.
- Anticipated average issue age, excluding children is 68.4.

XIX. Historical Experience Under this Product

As this is a new product, there is no historical experience under this form.

XX. Projected Experience and Lifetime Loss Ratio

Exhibit 2 displays projected experience for an issue cohort of 7,756 insureds over 30 years. The anticipated lifetime loss ratio is 50% of premiums and policy fees.

XXI. Minimum Required Loss Ratio

The applicable minimum loss ratio standard is 50%.

XXII. History of Rate Adjustments

There have been no previous rate adjustments on this form.

XXIII. Number of Policyholders

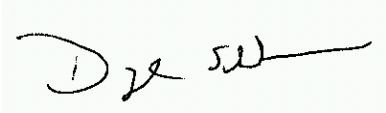
As this is a new product, there are no existing policyholders under this form.

XXIV. Proposed Effective Date

The proposed effective date for these new product rates is August 1, 2012, or as soon as reasonable for implementation following regulatory approval.

XXV. Actuarial Certification

To the best of my knowledge and judgment, this rate filing is in compliance with state laws and regulations, is in compliance with Actuarial Standard of Practice Number 8: *Regulatory Filings for Health Plan Entities*, and benefits provided are reasonable relative to the proposed premium schedule. In addition, the premium rates presented are not excessive, inadequate, or unfairly discriminatory.

A handwritten signature in black ink, appearing to read "D. Schrader", is written over a light green rectangular background.

Daryl Schrader, FSA, MAAA
Actuary, Guarantee Trust Life Insurance Company
July 12, 2012

EXHIBIT 1

Critical Care Incidence Rates Summary

- **Cancer**
Data comes from SEER September 2010 submission, with projections based on data with year of diagnosis from age specific incidence rates, 2003 to 2007. Smoker adjustments data come from Centers for Disease Control and Prevention (CDC).
- **Stroke and Heart attack**
Data is essentially from Centers for Disease Control and Prevention (CDC), July 2008 weighted by 2009 census data.
- **Bypass surgery**
Data is based on estimated inpatient Cardiovascular Operations, Procedures, and Patient Data by Sex, Age, and Region in United States from updated Statistics of American Heart Association Journals, October 2010.
- **Kidney Failure**
Data is based on incidence rates of 5 year average of 2004 – 2008 reported ESRD in the 2010 Annual Report of the USRDS.
- **Alzheimer**
Data is based on average of 1993 and 2002 incidence study, and projected to 2010 Alzheimer's Disease Facts and Figures. Census data is based on census data of 2009 American Community Survey.
- **Major organ transplant**
Data is based on the Organ Procurement and Transplant Network (OPTN) data as of October 8, 2010: US Transplants performed January 1 1988 to July 31 2010.
- **Paralysis**
Data is based on the Spinal cord Injury Information Network from the University of Alabama at Birmingham Spinal Cord Injury Model in September, 2010.
- **Coma**
Data is based on the Traumatic Brain Injury from number and percent distribution of hospital discharges for injury, by body region of injury and age group: United States, 2004-2005.

EXHIBIT 2

Policy Form G1132, RG11CAN, RG11HAS
(12 month benefit period)

	mbrs		base	base	policy	total	total	avg pol	agg pol	loss
<u>pol yr</u>	<u>inforce</u>	<u>persist</u>	<u>avg prem</u>	<u>agg prem</u>	<u>fee</u>	<u>pol fees</u>	<u>revenue</u>	<u>benefits</u>	<u>benefits</u>	<u>ratio</u>
1	7,756	0.79	1,521.56	11,801,252	16.12	125,000	11,926,252	360.66	2,797,268	23.5%
2	6,131	0.83	1,530.49	9,383,499	16.28	99,843	9,483,342	505.39	3,098,587	32.7%
3	5,064	0.85	1,524.12	7,717,978	16.32	82,664	7,800,643	572.18	2,897,470	37.1%
4	4,325	0.87	1,516.04	6,556,167	16.35	70,713	6,626,880	820.04	3,546,291	53.5%
5	3,770	0.88	1,506.57	5,679,127	16.37	61,715	5,740,841	903.12	3,404,384	59.3%
6	3,314	0.87	1,495.89	4,956,798	16.39	54,304	5,011,102	895.66	2,967,877	59.2%
7	2,874	0.88	1,516.34	4,357,222	16.76	48,166	4,405,388	905.34	2,601,522	59.1%
8	2,540	0.89	1,502.09	3,814,757	16.77	42,582	3,857,339	893.92	2,270,225	58.9%
9	2,262	0.89	1,486.96	3,363,085	16.77	37,935	3,401,019	1,080.44	2,443,651	71.9%
10	2,007	0.88	1,470.76	2,951,221	16.78	33,668	2,984,889	1,069.44	2,145,925	71.9%
11	1,773	0.88	1,453.48	2,577,444	16.79	29,767	2,607,210	1,060.29	1,880,213	72.1%
12	1,561	0.88	1,435.10	2,239,922	16.79	26,213	2,266,135	1,047.57	1,635,056	72.2%
13	1,368	0.87	1,415.63	1,936,691	16.80	22,989	1,959,680	1,033.87	1,414,415	72.2%
14	1,194	0.87	1,395.04	1,665,702	16.81	20,077	1,685,779	1,193.75	1,425,360	84.6%
15	1,038	0.87	1,373.35	1,424,864	16.83	17,459	1,442,323	1,182.10	1,226,444	85.0%
16	897	0.86	1,350.53	1,212,066	16.84	15,115	1,227,182	1,174.19	1,053,807	85.9%
17	773	0.86	1,326.60	1,025,167	16.86	13,028	1,038,194	1,160.58	896,873	86.4%
18	662	0.85	1,301.53	862,006	16.88	11,177	873,184	1,145.72	758,812	86.9%
19	565	0.85	1,275.31	720,457	16.90	9,546	730,003	1,258.31	710,855	97.4%
20	480	0.84	1,247.92	598,452	16.92	8,115	606,566	1,245.93	597,496	98.5%
21	405	0.84	1,219.40	494,066	16.95	6,867	500,932	1,245.23	504,531	100.7%
22	341	0.84	1,189.67	405,306	16.98	5,784	411,090	1,231.00	419,387	102.0%
23	285	0.83	1,158.64	330,335	17.01	4,850	335,185	1,215.09	346,429	103.4%
24	237	0.83	1,126.28	267,459	17.05	4,048	271,508	1,268.41	301,211	110.9%
25	197	0.83	1,092.55	215,117	17.09	3,365	218,482	1,253.33	246,774	112.9%
26	163	0.82	1,057.64	171,943	17.13	2,786	174,729	1,259.16	204,704	117.2%
27	134	0.82	1,021.42	136,550	17.19	2,297	138,847	1,242.51	166,107	119.6%
28	110	0.82	983.80	107,736	17.24	1,888	109,624	1,223.76	134,014	122.2%
29	89	0.81	944.79	84,457	17.30	1,546	86,004	1,259.41	112,582	130.9%
30	73		904.47	65,800	17.36	1,263	67,063	1,239.99	90,209	134.5%
PV Total				61,832,663		683,357	62,516,020		31,308,742	
PV pct of prem + pol fees				98.9%		1.1%	100.0%			50.1%